

## Message Text

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11

ACTION EA-10

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 L-02 H-02

CIAE-00 INR-07 NSAE-00 DODE-00 INRE-00 SSO-00 NSCE-00

SY-05 A-01 OPR-02 CCO-00 PRS-01 AID-05 SCA-01 /062 W

----- 012225

Z R 220938Z MAY 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC FLASH 3978

INFO AMEMBASSY CANBERRA

C O N F I D E N T I A L VIENTIANE 3593

CANBERRA FOR HABIB

E.O. 11652: GDS

TAGS: EAID, LA, US

SUBJECT: AID AND USAID IN LAOS

REF: STATE 199496

1. WE HAVE EVIDENTLY FAILED TO CONVEY THE REALITIES OF THE SITUATION. FORMAL PROCEDURES DO NOT COME NATURALLY TO LAO. THE FACTS ARE THAT THE FONMIN HAS TOLD US THE PGNU WANTS THE 1951 AGREEMENT REVISED, USAID TERMINATED AS A SEPARATE ORGANIZATION AND AID DISPENSED FROM THE EMBASSY. THE PRIMIN HAS CONFIRMED THESE POINTS AS PGNU POLICY. THE MINISTER OF ECONOMY AND PLANS HAS TOLD US THAT THE CABINET LAST NIGHT HAD DECIDED IN PRINCIPLE ON THE TERMINATION OF USAID. FORMAL PRESS ANNOUNCEMENT THIS MORNING OF CABINET DECISIONS SAID JUST THAT. DEMONSTRATORS HAVE BEEN OCCUPYING THE USAID COMPOUND FOR TWO DAYS WITH THIS AS ONE OF THEIR MAJOR DEMANDS. THERE IS NO RPT NO ELEMENT IN LAOS SUPPORTING THE MAINTENANCE OF USAID AND THE PL HAVE GOTTEN STUDENTS TO USE THIS AS AN EMOTIONAL RALLYING CRY.

2. WE ARE TOMORROW, MAY 23, CONFRONTED BY A LARGE RALLY  
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AT THE STADIUM AND EXPECT THAT END OF USAID WILL BE A

MAJOR THEME OF THE SPEAKERS. THEREFORE, UNLESS U.S. INDICATES WILLINGNESS TO TERMINATE USAID ON BASIS OF NEGOTIATIONS, WE KEEP ALIVE AN ISSUE WHICH ADDS CONSIDERABLE TENSIONS TO ATMOSPHERE. OTHERWISE, WE SIMPLY ENCOURAGE FURTHER DEMONSTRATIONS, FURTHER PRESSURES AND EVENTUALLY VIOLENCE WHICH WILL INDEED ENDANGER SAFETY OF AMERICANS. (WE TOO HAVE THIS RATHER IN MIND.) BY SHOWING WILLINGNESS TO RESPOND TO PGNU'S STATED POLICY WE DEFUSE THE WHOLE ISSUE. AND WHEN ALL IS SAID AND DONE WE CANNOT MAINTAIN A SEPARATE USAID MISSION IN A COUNTRY THAT DOESN'T WANT IT.

3. AS REGARDS THE RELEASE OF PERSONNEL IN SAVANNAKHET, THE TERMINATION OF USAID IS IRRELEVANT. WE HAVE TOLD PGNU FOUR DAYS AGO THAT WE WERE CLOSING PROVINCIAL OFFICES. MINISTERS ARE IN SAVANNAKHET NEGOTIATING WITH DEMONSTRATORS AND STONE HAS CALLED RAMSEY TO SAY THAT HE EXPECTS: A) AGREEMENT TO BE SIGNED TODAY AND B) PERMISSION FOR AMERICANS TO LEAVE BY NOON TOMORROW.  
CHAPMAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN RELATIONS, FOREIGN ASSISTANCE AGREEMENTS, CLOSURE OF OFFICES, NEGOTIATIONS, PERSONNEL MOVEMENTS  
**Control Number:** n/a  
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